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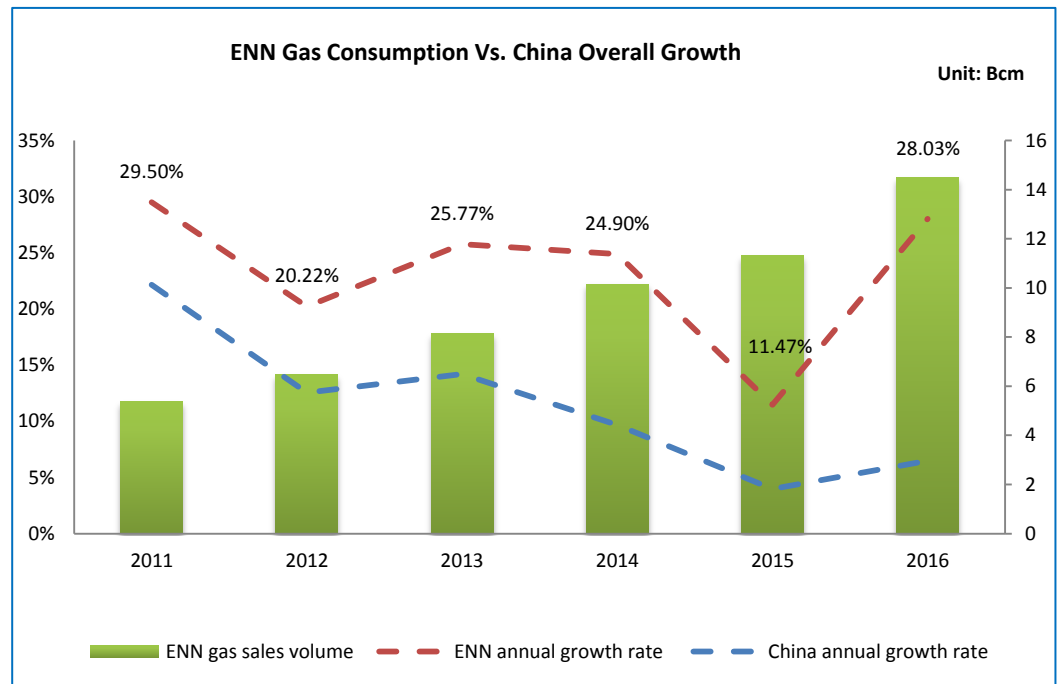
**PRESENTATION AT THE 17TH US-CHINA
OIL AND GAS INDUSTRY FORUM**

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DEVELOPMENT OF ENN'S GAS BUSINESS

- Found in 1989, ENN's gas business has been growing quickly along with China gas market development, becoming one of the largest gas distributors
- Driven by government policy, ENN gas sales volume increased by 45%, much higher than 16.6% national average for the first three quarters this year.
- According to next 5 year plan, natural gas would reach 10% in primary energy mix by 2020. Gas market also will be further deregulated, which will provide broader platform for private players like ENN

| | |
|-------------------|--|
| BUSINESS | City gas, refueling stations, energy services, LNG Trading |
| OPERATION | 17 provinces (160 cities), more than 400 industrial parks |
| CUSTOMER | 14 million residential, 68,000 industrial & commercial |
| REFUELING STATION | 597 |



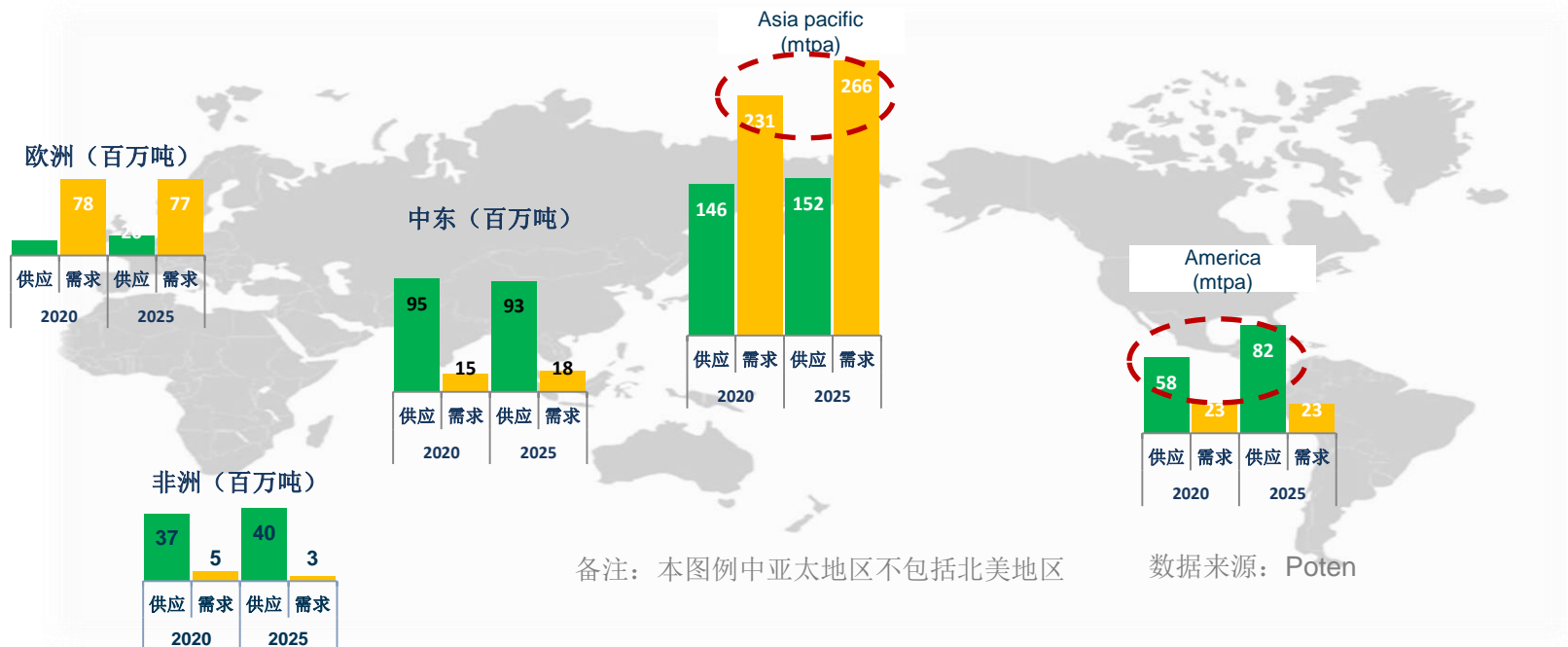
DEVELOPMENT OF ENN'S LNG IMPORT BUSINESS

- There are total 15 LNG receiving terminals in operation with capacity around 50 mtpa, big terminals owned and operated by NOCs. Three terminals under construction.
- ENN Zhoushan terminal started construction in 2016. It is a multi-function terminal equipped with re-gas, reloading, truck loading facilities. The construction progress on schedule, Phase I (3 MTPA) commissioning mid of in 2018; ~85% construction completed. Phase II 5mtpa and Phase III 10 mtpa
- 3 SPAs signed with Total, Chevron and Origin with total volume around 1.4 mtp. ENN will need more LNG supply and currently in discussion with LNG sellers including US sellers/project developers. We are expecting to make success with US supplier soon.



STRONG POTENTIAL FOR LNG COOPERATION BETWEEN CHINA AND US

- China is the most promising gas market in the world. Its LNG demand would grow fast in next 5-10 years, with the potential up to 50 mtpa by 2020, over 100 mtpa by 2030
- US has big gas reserve to support LNG export. Its potential LNG new production capacity is ranked as the highest in the world in next 5-10 years
- With strong CN/US government support and the complementary advantages of two markets, it is believed that US project developers and China LNG buyers will find mutual beneficial ways to cooperate in LNG business.



NEW MOVEMENTS AND CHALLENGES IN LNG CONTRACTING

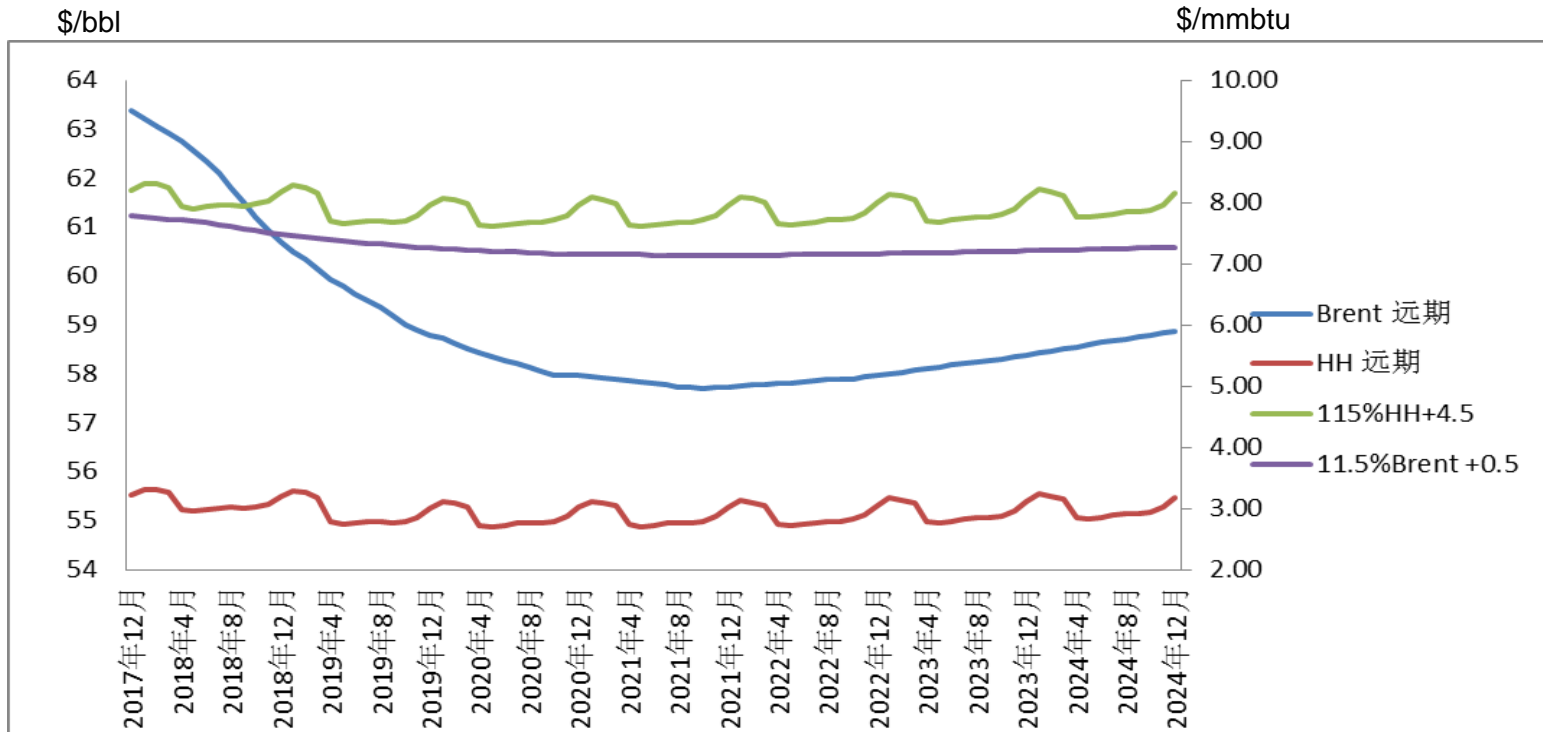
- World LNG markets are changing and traditional LNG contracts are evolving, which are reflected in contract terms mismatch between buyers' needs and producers' needs.
- Similar issues are faced between US sellers/project developers and Chinese buyers, which need to be solved considering each party's position and create win-win solution.
- US supply have advantages in resource security, political and financial stability, destination flexibility. But buyers have concerns on HH linked pricing term, long shipping distance and uncertainty related to Panama Cannel.

Overall Industry View

| What Buyers Want | What Sellers Want |
|--|---------------------------------|
| • Mid or short term contracts | • Long term contracts |
| • Smaller volume purchases | • Larger volume sales |
| • Transparent prices, linked to downstream | • Oil or HH indexed pricing |
| • Broader volume and destination flexibility | • Offtake certainty/take or pay |
| • Flexible credit terms | • Credit worthy buyers |

COMPETITIVENESS OF HH LINKED PRICE NEED TO BE IMPROVED

- HH indexation less competitive with oil linked price under current low oil price environment
- Low price correlation between HH, Asia/JKM and China market
- No price review, or no consideration on future China market/price deragulation during contract term



CONCLUSION AND SUGGESTIONS

Personally I do believe that there will be more and more China-US LNG deals reached in next few years. Some of them would be between ENN and US sellers.

- There are mutual market needs, buyers/sellers' interests and government support for China and US to cooperate in LNG business. Recent signed deals witnessed by US and China Presidents further showed willingness from two government and buyers/sellers.
- Buyers and sellers have got good understanding on each other's position, and actively exploring different, innovative ways of cooperation together. I very much appreciate US suppliers/project developers' interests and efforts in working with ENN team for LNG cooperation.
- One suggestion to US government: under current low oil price environment, US government could develop preferential policies, such as tax, subsidy, to enhance competitiveness and accelerate US LNG project development and export
- Finally, thanks again for the opportunity for me to speak here. ENN welcome US LNG supply. Let's make joint efforts in LNG cooperation.



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Thanks

谢谢!